

Minutes of the Personnel Committee

Tuesday, February 19, 2013

Chair Paulson called the meeting to order at 1:00 p.m.

Present: Supervisors Duane Paulson, Pauline Jaske, Mike Crowley, Dan Draeger, Jennifer Grant, and Kathleen Cummings. **Absent:** Jim Jeskewitz.

Also Present: Chief of Staff Mark Mader, Human Resources Manager Jim Richter, Principal Human Resources Analyst Terri Sgarlata-Lutz, Senior Human Resources Analyst Renee Gage, Senior Financial Analyst Bill Duckwitz, Social Worker Carla Rodriguez, and Inspector Eric Severson. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 1-15-13

MOTION: Draeger moved, second by Crowley to approve the minutes of January 15. Motion carried 6-0.

Chair's Executive Committee Report of 2-18-13

Paulson highlighted the following items discussed at the last Executive Committee meeting.

- Approved Ordinance 167-O-083 to create a capital project for terminal ramp expansion at the Airport.
- No action was taken on Resolution 167-R-010 to discontinue County financial support to the Museum beginning in 2014. A consensus of the committee felt the timing was inappropriate.
- Reviewed and approved the 2013-2015 Internal Audit plan.
- The March Executive Committee meeting will begin at 1:00 p.m. A joint meeting will be scheduled in June on the compensation study involving the Personnel, Executive, and Finance committees.
- Heard reports on the Wisconsin Counties Association (WCA) Legislative Exchange, WCA Ambassador Program, and Wisconsin Workforce Development Day.

Schedule Next Meeting Date

- March 19, 2013

Ordinance 167-O-086: Ratification Of 2013-2015 Wisconsin Professional Police Association Collective Bargaining Agreement

Richter discussed this ordinance as outlined which include changes in the grievance procedure, adjusting compensatory time-off accrual maximums, increasing the uniform allowance, etc.

Richter said effective December 29, 2012 these employees would contribute 3% of wages to the Wisconsin Retirement System. The contribution increases to 5% effective December 28, 2013. Effective December 27, 2014 employees would contribute the same percentage as required by statute for the general employee category, currently 6.5%. Under Wisconsin Act 32, employees hired after July 1, 2011 are required to contribute the general employee rate.

Richter advised the following across-the-board increases are proposed: 2.5% (effective December 29, 2012); 1% (June 29, 2013); 2.5% (December 28, 2013); and 2.25% (December 27, 2014). Wage and benefit changes would result in the following net funding increases/decreases: -0.22% in 2013 (\$11,787,791); 1.43% in 2014 (\$11,955,975); and 0.94% in 2015 (\$12,068,319). The 2013 adopted budget includes sufficient funding for the 2013 changes and the 2014 and 2015 changes will be built into those proposed budgets.

To answer questions by Jaske and Cummings, Richter explained the proposed changes to compensatory time-off accrual maximums.

MOTION: Jaske moved, second by Cummings to approve Ordinance 167-O-086. Motion carried 6-0.

Review Waukesha County Total Compensation Study

Richter discussed this as outlined in his handout which included information on 2013 total compensation study timetable for Personnel Committee review, Waukesha County compensation philosophy and policy, current and proposed open range and step range pay structures, the proposed physician's pay plan, examples of proposed salary ranges for select classifications, classifications recommended to be transferred from the step to open system, and classifications whose proposed maximum salary range is lower than the current maximum.

Richter referred to the timeline and said staff are on track and work is moving forward. Richter advised today's discussion will focus on current and proposed salary range structures for both the open and step systems. The consultant's study had indicated that current range widths were too narrow and needed to be expanded so they are similar to the private sector. All salary increases will be linked to performance. Referring to the proposed open pay system, employees who are at the maximum of the salary range and currently compensated above the new range maximum will have their salary frozen (red-circled) at their 2013 salary rate. Employees will be eligible to receive base increases once the maximum salary in the new range equals or exceeds the employee's current salary. If a red-circled employee is in the pay for performance system, they would remain eligible for the non-base performance awards.

Current Open Range Structure

- 21 ranges.
- Range widths are 23 to 35%.
- Movement through ranges based solely on performance.
- On average it takes 14 years to reach the maximum.
- Eligible for non-base and/or base increase of 0-2% if below the prevailing rate.
- Eligible for non-base increase of 0-3% and/or base increase of 0-1% if above the prevailing rate.
- Eligible for non-base increase of 0 -3% if employee is at the maximum.
- The average base increase performance awards were 1.16% in 2010 and 1.22% in 2011.
- The average non-base performance awards were 1.32% in 2010 and 1.39% in 2011.
- In 2012 there were 204 employees in the open system: 121 were below the prevailing rate and 35 were at the maximum.

Proposed Open Range Structure

- Midpoint based on the market evaluation.

- Range widths for the first 10 ranges are 32% and 44 % for the upper level ranges.
- Based on historical movement through the ranges, it will take approximately 20 years to reach the maximum of the range. The intent of the new structure is to not reach the maximums.
- Movement through the ranges would continue under the current pay for performance model.
- Classifications are placed in the ranges based on market position and internal equity.
- Employees will be placed at their current salary in the open range unless they are below the minimum of the range. As part of the study, an additional 22 classifications (80 employees) will move from step to open. All supervisory positions will be in the open structure.
- 5 classifications (22 employees) are newly non-represented and in a pilot program at Central Fleet and Environmental Health.

Current Step Range Structure

- The step ranges apply to all classifications not in the open system. This includes non-represented employees and formerly represented employees.
- The step ranges vary in length from 1 to 9.
- Range widths vary from 0 to 35%.
- Percentages between salary steps in the ranges vary from 2-12%. The current non-represented step ranges have 3% steps.
- The length of time it takes to reach the maximum of the range varies from 1 to 8 years.
- Movement between the steps requires at least an “effective” performance review.
- Once an employee reaches the maximum of the range there are no further base salary increases. Non-represented employees in the pay for performance system are eligible for non-base increases of 0-3% if they have a performance review rating of “commendable” or higher.

Proposed Step Range Structure

- The proposed range structure will establish a consistent set of ranges for all job classifications.
- All ranges will be 15 steps.
- Time interval for eligibility for movement through the steps will be one year. It will take 14 years for an employee to reach the maximum if they begin at the first step of the range.
- The range width will be consistent at 32%.
- The percentage between steps will decrease from 3% to 2%.
- Employees will be placed at a step in the range that is closest to but not less than their current step.
- The amount of time it will take an employee to reach the maximum under the new ranges will increase and thereby result in long-term cost savings to the County.
- Savings will also be achieved due to turnover and placement of new hires at lower salaries.

Cummings asked if moving employees to the open system could cause them to leave County employment because they will not receive the same pay increases. Richter said it is possible and every structure change results in both positive and negative outcomes. He noted the medical related positions are the most market driven jobs in the County. Positions will be placed into the new systems/ranges based on market analysis and in some cases, the Hay System too, with the aid of the consultants. Crowley asked if the ranges will be reviewed and adjusted annually based on market. Richter said yes, the ranges will move based on market and any changes will be brought before this committee. Richter noted their goal is to continue moving positions to the open system. Draeger asked if there are any known long-term affects due to extending the maximum pay range,

specifically for skilled workers. Richter believes employees will prefer the new system because they will not reach the maximum pay ranges as quickly. Draeger reiterated his original question whereby Richter said this is addressed in the report and he would get that information for him. Draeger said it was important we retain the skilled workforce. Paulson referred to Act 10 and felt these changes should benefit County employees. Mader, Richter, and Jaske expressed similar sentiments. Richter said it is important staff take their time examining and implementing these changes to ensure they are done right and avoid adverse consequences.

Paulson referred to the list classifications where the proposed maximum salary range is lower than the current maximum and asked if these employees would be red-circled. Richter said for individuals in these classifications, if they are within the existing ranges they will be placed in that range. Eventually these employees will reach the proposed maximum salary, not the current maximum salary. If they have already reached the current maximum salary range, the salary will not be reduced but will be red-circled or frozen. They would remain at this same salary level until the salary range catches up to their current pay. This would be done through across-the-board increases. Richter noted these changes will result in savings for the County but he also said the County does not want employees to take cuts in pay.

Richter indicated that ranges in the step system are currently and will continue to be adjusted via across-the-board increases approved by the County Board – they do not stay stagnant. If a range is adjusted, the employee receives the adjustment. In the open system, just because a range is adjusted and the employee is in between the minimum and maximum, their pay is not adjusted. The only way to receive the pay adjustment is with an “effective” or higher performance review.

MOTION: Crowley moved, second by Draeger to adjourn at 2:38 p.m. Motion carried 6-0.

Respectfully submitted,

Pauline T. Jaske
Secretary